

(1)

A N

ESSAY

Towards Settling a

NATIONAL

CREDIT.

ESSAY

TOWARDS SETTING A

NATIONAL

CREDIT.

A N
E S S A Y
Towards the Settlement of a
N A T I O N A L
C R E D I T,

In the Kingdom of *ENGLAND*,

Humbly presented to the two Honourable
Houses of Parliament.

By *John Cary*, Merchant in *Bristol*.

L O N D O N :

Printed by *Freeman Collins*, and are to
be sold by *S. Crouch* at the Corner of
Popes-head-Alley in *Cornhil*, and *E.*
Whitlock near *Stationers-Hall*. 1696.

ESSAY

NATIONAL CREDIT

IN THE KINGDOM OF ENGLAND
BY
HUGHES OF LONDON

LONDON: PRINTED BY
JOHN JOHNSON, ST. PAUL'S CHURCH-YARD
1834

To the Right Honourable the
LORDS Spiritual and
Temporal, and to the Honour-
able the Commons of Eng-
land in Parliament Assem-
bled.

HAVING lately presented your
Honours with *An Essay on Coin
and Credit*, the chief Design
whereof was to shew the Ne-
cessity of Settling a well-ground-
ed Credit in this Nation, for Support of
the Government and carrying on its Trade;
I do now with all Humility lay before you
Proposals to answer that end, which I have
not clogg'd with Compulsion to the Subject,
supposing nothing of this Nature can be good,
where a Common Consent, grounded on In-
terest, doth not make it valuable.

BANKS, as I humbly conceive, ought chiefly to be Calculated for the Use of Trade, and modeled so as may best content the Traders. What gives them Satisfaction will answer all other Occasions of the Kingdom: Money passes through the Hands of the Nobility and Gentry, only as Water doth through Conduit-Pipes into the Cistern, but Centers in the Hands of Traders, where it Circulates, and may be said to be used; and among these, Ease, Profit, and Security, are Arguments strong enough to keep a Bank always full; Besides, when the Streights of the Government are taken off, greater Sums will come into Trade, which are now drawn out in order to make Advantages above what the Profits of Trade will bring in.

The Heads whereon I propose to build this National Credit, are these which follow:

That a Bank be Erected on the Credit of the Parliament, the Profit or Loss thereof to redound to the Nation; whose chief Chamber shall be settled in London, but lesser Chambers in other Places of this Kingdom, at such Distances as may best Answer the Occasions of the Country; which Chambers to account with that of London, and that to Commissioners appointed by Parliament.

That

Setting a National Credit.

3

That this Bank shall take in what running Cash shall be offered, and shall give their Notes for it, and shall also allow Interest after the Rate of *per Cent. per Annum* after the first *days* till those Notes be paid, and shall also pay it again to the Proprietors, or any part thereof, when demanded.

35
14

That if any Man puts in his Money for a time certain, not less then *Months*, he shall receive Interest from the time of paying it in, to the time he is repaid.

6

That this Bank shall let out any Sum again on reasonable Security, either Real, Personal, or Goods, receiving Interest after the Rate of *per Cent. per Annum*, till the Borrower shall think fit to pay it in, which he shall do by such Parts as will best suit his Occasions, and be discharged from the Interest of what he so pays, and only pay after the Rate aforesaid for so much as doth remain in his hands.

45

That if any one desires to take up Money on such Security for a time certain, not less then *Six Months*, he shall have it after the Rate of *per Cent. Interest per Annum*.

4

That Lombards be Erected to attend this Bank for the benefit of Traders, under Regulations which may encourage Trade.

That

4 An ESSAY towards

That for the benefit of Returns, the Notes given in any one Chamber of this Bank shall be demandable in any other, together with the Interest due till payment, the Receiver allowing for such Returns after the Rate of 5s. for each Hundred pounds in the Chamber where he receives his Money.

That to prevent Counterfeits, all Notes given out at any Chamber, shall be made payable to A. B. or Order, and Assigned from one to another, each Assigner to be Warrantee for the Note, both to the Bank, and also to every later Assignee.

That these Notes shall be taken by the King in all Payments, which will make them current among the Subjects.

That this Bank do supply the King with all Loans at 4s. per Cent. Interest per Ann. from the time of borrowing, to the time the Money is paid in again, and that it hath the Taxes, or Funds settled by Act of Parliament, for its Security.

That all Debts Contracted to this Bank, shall be of the same Nature with Debts Contracted to the King, and be first paid out of the Estates of the Debtors; and that Extents shall lye accordingly.

That

Settling a National Credit. 9

That an Account be kept of Profit and Loss in each Chamber, together with the Charges of the Officers, &c. And that it be return'd up every Three Months, as also Account Current, to the Grand Chamber in *London*, where the whole shall be Examined by the Commissioners, and they be liable to the inspection of the Parliament; by which means it will appear whither the Nation gets or loses by it. And *Note*, That if the Nation doth lose One hundred thousand Pounds *per Ann.* by the Charge of its Management, yet it will get many Millions in the increase of its Trade, though there is no doubt but this Bank will very much more than support its Charge.

That Registers for Lands be erected in all Counties, &c. where desired, by Act of Parliament.

That Bills be past on the Bank by such as are appointed to buy for the Publick Use of the Nation, payable at the time of their Agreement; by which means every one will endeavour to Furnish the Government Cheapest, when their payments shall be punctual, the King will save a great deal of Moneys paid now for Procuration, Excessive Interest, &c. and the Fleet and Army will be well paid.

That the Commissioners do once every Year at least make up the Accounts depending

ding between the Publick and the Bank, allowing *three per Cent* Interest as before, and make application to the Parliament for its Reimbursement.

That Bills and Bonds be made Assignable by Law, and the Property be thereby transferr'd to the Assignee.

That Trustees may put the Money belonging to Orphans into this Bank, which shall be a discharge to them for so much of their Trust, the Interest to be duly issued out for the maintenance of the said Orphans; and that all Plate and Bullion belonging to the said Orphans be by the Trustees Coined up at the next Mint, and the Money put into the Bank for the use of the said Orphans.

That the Money in this Bank be freed from Taxes.

Concerning which Credit I shall briefly speak to three Four Things.

I. First, *Its Security.*

II. Secondly, *Some of those Advantages the Nation will reap by it.*

III. Thirdly, *I shall shew some Compensations between this Credit and the present Bank of England.*

Setting a National Credit.

2

And Fourthly, I shall set forth the necessity of setting the Nations Credit to this present Session. As to the First, It hath the Legislative Power of the Kingdom of England for its Foundation, and Security strong enough, and nothing else can be so good to build this Great Superstructure upon, the Well Modeling whereof, will keep it from being subject to the Designs of Private Persons; This will last so long as the Peoples Liberties last, for no Change can weaken it, so long as the People of England have a hand in making their own Laws, whose Common Interest will be so rivetted and made up with the Security of this Bank, that they will in a short time become one thing; so that nothing less than a Conquest will be able to shake it. This we cannot fear from any Nation besides the French; nor from them neither till Holland is first subdued, therefore as those States must first buckle, so far will our Bank be more secure than theirs; France cannot Erect a Bank on any sort of Security, because the Will of that Prince being his Law, alters according to his present Occasions; Nor can Spain do it; where, not only the Government, but also the Profits thereof, are divided amongst its Ministers;

sters; As for *Sweden*, *Denmark* and *Portugal*, the Princes of *Italy* and *Germany*, few believe their Circumstances to be such as to render them capable of Erecting a Bank which may draw the Eyes of *Europe* to look towards it; *England* only can do it, for as an easie Government is its own Security, so that Security encourages Trade, and these two, accompanied with the Profits offered to a running Cash, will make all *Europe* desire to settle their Moneys here.

Seeing then that nothing but the same Power which first Constituted this Bank can destroy it, (a Power with whom we intrust our Lives, Liberties, and Estates) I cannot see the least room left for distrust; for what advantage can any future Parliament expect by a design of seizing this Bank, when the Treasure thereof may be drawn out whilst they are framing the Law; and the Consequence will be the ruining their own Estates, for which they can promise nothing to themselves, save the being posselt of Empty Papers:

What farther Hazard the Nation can run, must proceed from the Neglect of the Managers, or the Fraud of under Officers, which, Care in the First, and Security for the Last, will prevent.

II. The next thing is to show the Advantages which *England* will reap by settling the Credit here proposed; whereof some do immediately attend it, others are Consequential.

Those which immediately attend it are,

1st, The Rate of Interest will hereby be brought lower, to the advance of our Lands, and Encouragement of our Trade, by Methods altogether as profitable to the Usurer, who will be willing to let his Money Cheaper, when it shall never lye dead without his Consent, his Security be unquestionable, and freed from the Charges of Litigious Suits, which so frequently accompany doubtful Mortgages.

2dly, Both Gentlemen and Traders will hereby be supplied with Money to serve their Occasions on such reasonable Security as they are able to give, when that Security shall be strengthened by having the Preheminence above all other Obligations; They may also have liberty to pay it in by such Proportions as they can best spare it, when it shall be equally the Interest of the Bank to receive it so, which will never want new opportunities to let it out again.

3dly,

53dly, This Credit will give us an Esteem in Foreign Parts, Draw their Money's hither, and consequently their Trade, and thereby their People, all which will be an Advantage to *England*.

54y, It will supply the Government with Money to carry on the War on moderate Interest, and make its Credit good; whereby the Publick Revenues will reach farther to serve its Occasions, and the Ministers of State be freed from many anxious Thoughts which now make them uneasy.

55y, It will make Returns from place to place in *England* both cheap and certain, which will help our Inland Trade, and prevent Robberies, now too much encouraged by travelling with Money; It will also be profitable to our Foreign Trade, by bringing Exchanges low in our favour.

56y, The Frauds put on the Country by Counterfeit Notes will be prevented; for though the method of Indentures and Stained Paper now used by the Bank of *England* may be a Security to it self, yet it is not so to any one else, seeing Art is able to Counterfeit every thing, at least so like, as not to be easily discovered; Now what Satisfaction will

will it be to those who have received this
Note instead of Money, to be told by the
Manager that they are Counterfeit, when
they know not where, nor from whom to
get Reparation, whereas being Assigned
from Man to Man, they are taken on the
Credit of the Assignor, who runs no o-
ther risk thereby, save his Warrant that
they are truly what he pays them for.

ly, This Bank will be free from Stock-
Jobbing, the Bane of all good Designs,
which will find no room here, because it
cannot be divided into private and particu-
lar Interests.

The Consequential Advantages will be
these,

1st, By this means the Taxes for carrying
on the War the ensuing Year, together with
the Twenty five hundred and sixty four
thousand Pounds which fell short on the
Salt Fund, may be raised, by Methods
wherein the Kings Revenue and the Peoples
Profits shall go hand in hand, without Anti-
cipations.

2^{ly}, The Funds now settled on our Ma-
nufactures, which discourage our Trade, and
ruin our Poor, may be sunk and taken off;
such

such are those on the *Glass-makers, Tobacco-pipe-makers, Distillers*, and others, many whereof have yielded little to the Government above the Charge of Collecting, and the best of them have done great mischief to our Trade; Now seeing these are only so many several Modus's of raising Money, those methods must doubtless do best, which least injure our Trade.

3ly, The Debt due to the Transport-Ships may be paid off, and those People, to whose early Loyalty the Reduction of Ireland is very much owing, be contented.

4ly, The Mints may be kept employed, and the Kingdom thereby filled with Coin.

5ly, Our Wooll may be kept at home, which I humbly conceive can never be done till a good Credit be settled, any thing less will not be large enough to cover the Sore intended to be Cured.

6ly, The Plantation Trade may be better secured, especially that of Tobacco, and Methods may be proposed to render it more profitable, both to the King, and also to the Subject.

7ly, The

7ly, The Bank of Englands Notes may be brought to Par, and Tallyes of all sorts in a short time be paid off at their full Valew, which I humbly conceive will be difficult to be done any other way; the settling a Credit on either, or grafting them both together, seem improbable Methods to answer those ends.

I humbly hope to make Proposals in this present Sessions for putting these into Practise, if a good Credit be timely settled.

Besides these, many other Advantages will accrue to the Nation, many of which I have set forth in my before recited Essay on Coin and Credit. Page 27, 28, 29.

III. The Third thing is to make some Comparison between the Credit here proposed, and the present Bank of Englands; which I Humbly conceive is so shaken in its Reputation, as hath rendred it incapable to be made the Foundation of a National Credit; and

B

whilst

whilst we labour to recover it, we may run the hazard of destroying our Trade, disturbing the Government, and keeping our selves under a lingering War, whilst we encourage the French King to try his utmost Efforts, hoping that our Difficulties at home will force us to accept of a dishonourable Peace.

'Tis certain nothing can be the support of a National Credit, which is not better, or at least so good as Money; and this is not to be found in the Bank of England, whose Notes whilst they are One per Cent. worse then Specie will always keep their Coffers empty, because no Man will put into it a Hundred Pounds in Money, when he can have a Note of the same Value for Ninety Nine; and the Consequence will be this, that the Lender, or rather the Jobber, will never rest till he is repaid, that so he may be making advantage by a New Purchase; And if this will be the effect of a Credit worse only by One per Cent. than Money, what will it be when 'tis sunk to Sixteen? Whereas on the other side, when a Credit is better then Money,

Money, the Coffers will ever be full, because all Men will endeavour to put in their Money, and be impatient till 'tis done; And thus it will be, when the Lender thinks himself secure, and makes more profit by having his Money in the Bank than in his Chest; who will therefore receive out no more at a time than his necessities shall require, and for the same Reason, those to whom he pays it, will endeavour to return it thither again so soon as they can.

IV. As to the Fourth thing Proposed, The necessity the Nation lies under to have its Credit settled this present Sessions, it will appear, if we consider how London now stands in Competition with all England besides as to the Specie of Money, and how it will stand before another Sessions; 'Tis generally agreed, that about One Moiety of the Money of England is already Center'd in that great City, and the rest is not enough to pay the Debts owing to it, together with His Majesties Revenues, Bonds already entered into, and Taxes now to be giv-

en, for Six Months longer; besides the Foreign Bills, which are generally made payable there, all which must be returned in Specie; for though by an Act of this present Sessions: Intituled, *An Act for the farther remedying the ill State of the Coin of this Kingdom*, it is among other things Provided, That all Money that shall be brought in upon Account of Taxes, or Revenues, or Loans, at Five Shillings and Eight Pence per Ounce, shall be carryed to the next adjacent Mint, in order to be ReCoin-ed, yet this will no way be Serviceable to the Country, unless a Credit be settled, it must otherwise be sent up to *London* after Coined for want of Returns, the Debts due to the Country being paid there in Bank, which is Sixteen *per Cent.* worse than Money, and those due from the Country demanded in Specie, so that the Money of *England* is every Week brought up thither; and then, if it be next considered what Methods are left to the Country to draw it back again, *viz.* by Provisions and some few other things, 'twill be reasonable to believe, that seeing the supply made from that City to the Country is greater then what is made

made from the Country thither; all the Cash of *England* will Center there in a short time; to the Ruining of the other Trading Cities, and disabling of the Country to pay future Taxes; And this will make the dependance on *London* still greater, till by its own Bloatiness it must at last burst; when the Estates of the Traders shall consist only in Debts due from the Country, which must still dye out, for want of a Specie to pay them in; so that all the advantage *London* will receive is, that it will be last Ruined.

Now if a good Credit be settled out of Hand, and the Mints continued in the Country, the Money that is now there may be still kept there, and Methods found out to increase it, and the Trade of *England* carryed on with an equal Circulation in all places; this will keep up the Rents of the Lands of *England*, which must otherwise fall in their Values, suitable to the distance they stand in from that great Metropolis.

If it be Objected, That the Management of this Credit will be very costly

ly to the Nation; I humbly conceive, that the Profits thereof will not only support its Charge, but also bring in a great Overplus; which may be usefully imployed to the Nations advantage; yet were this Objection true, nothing can be termed good Husbandry which spoils out Trade; the stopping whereof but for one Month will be many Millions lost to the Kingdom; therefore, whatever Charge is necessary to keep it on foot, 'twill be the Nations Interest to be at, especially such a Bank as this is, whose Profits or Losses are Compatible with the Interest of the Subject; for, if the Bank looses 'tis because the Subject gets, and if the Bank gets, the Nation hath the Profits, whilst at the same time the Government is supported, and our Trade carried on.

If by rectifying this, or any better Proposal from a more thinking Head, the Credit of the Nation may be settled in this present Sessions, I have reap'd the end I aimed at, the Good and Welfare of my Native Country; which I Humbly submit to your Honours great Wisdom, and shall be ready

Settling a National Credit.

19

dy to explain any thing that may
seem doubtful, when I am thereto
Commanded.

Your Honours

Most Obedient Servant,

*January 5th,
1696.*

John Cary.